



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: May 17, 2016
Board Meeting Date: June 28, 2016
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise Rogers, Chief, Health System
Chester J. Kunnappilly, MD, Interim Chief Executive Officer, San Mateo Medical Center

Subject: Amendment to Agreement with CHIS, Inc. to Provide Coding Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with CHIS, Inc., to provide coding services at the San Mateo Medical Center, extending the term by one year to June 30, 2017, and increasing the amount by \$165,000, to an amount not to exceed \$265,000.

BACKGROUND:

San Mateo Medical Center (SMMC) has been contracting with CHIS, Inc. (CHIS) since 1998 for ongoing as-needed coding support. On June 19, 2015, the Chief Executive Officer of SMMC approved an agreement - based on three competitive quotes - with CHIS for the term of July 1, 2015 through June 30, 2016, in an amount not to exceed \$100,000.

DISCUSSION:

SMMC has an ongoing need for support coding services. In April 2015, SMMC's director of coding services resigned; a consultant has filled the position in the interim, as SMMC's recruitment efforts to date have not yielded a suitable candidate. Through this amendment, SMMC is now requesting to extend the term of the CHIS agreement through June 30, 2017, as well as waive the Request for Proposals (RFP) process, in order to recruit a new director of coding services. Once a director is hired, SMMC will conduct a comprehensive RFP for these services and execute a new multi-year agreement.

SMMC is also increasing levels of service by approximately 10%, in order to accommodate new coding requirements by the Emergency Department.

The Resolution contains the County's standard provisions allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

The agreement and resolution have been reviewed and approved by County Counsel as to form.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by allowing SMMC to promptly and accurately capture revenue. It is anticipated that 98% of inpatient and emergency department medical records will be coded within 3-4 days.

PERFORMANCE MEASURE:

Measure	FY 2015-16 Estimated	FY 2016-17 Projected
Percent of inpatient and emergency department medical records coded within 3-4 days	95%	98%

FISCAL IMPACT:

The term of the revised agreement is July 1, 2015 through June 30, 2017, in an amount not to exceed \$265,000 for the two-year term. Funds in the amount of \$32,500 are included in the SMMC FY 2015-16 Actual Budget. Funds in the amount of \$132,500 are included in the SMMC FY 2016-17 Recommended Budget.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medically indigent or to those covered by programs that do not meet the full costs of care are covered by the County's General Fund contribution to SMMC, and are within the existing annual appropriation.